

**USDA, National Agricultural Statistics Service** 

# **Indiana Crop & Weather Report**

USDA, NASS, Indiana Field Office 1435 Win Hentschel Blvd.

Suite 110 West Lafayette, IN 47906-4151 (765) 494-8371 nass-in@nass.usda.gov

## **CROP REPORT FOR WEEK ENDING AUGUST 29**

#### **AGRICULTURAL SUMMARY**

Cooler temperatures and lower humidity during the week brought some relief to the state, according to the Indiana Field Office of USDA's National Agricultural Statistics Service. However, virtually no precipitation was received which further depleted topsoil moisture. Yield potential in late planted crops is diminishing due to the lack of rainfall during August. A limited number of corn fields have been harvested as farmers prepare and test equipment. Harvest of seed corn and silage continued, especially in central and northern areas. Farmers had a good week for cutting and baling hay as the lower humidity sped up the curing process. Some livestock producers have been forced to begin feeding hay as pasture condition declines.

#### FIELD CROPS REPORT

There were 6.9 days suitable for field work. Ninety-six percent of the corn is in dough compared with 77 percent last year and 89 percent for the 5-year average. Seventy-seven percent of the corn is in dent stage compared to 21 percent last year and 50 for the 5-year average. Twenty-one percent of the corn crop is mature compared to 0 percent last year and 6 percent for the 5-year average. Corn condition is rated 57 percent good to excellent compared with 63 percent last year at this time.

Fourteen percent of the **soybean** acreage is **shedding leaves** compared with 2 percent last year and 6 percent for the 5-year average. Soybean **condition** is rated 55 percent good to excellent compared with 63 percent last year.

The **third cutting** of **alfalfa hay** is 87 percent complete, compared with 63 percent last year and 78 percent for the 5-year average.

Major activities during the week included: preparing harvest equipment, attending field days, cleaning grain bins, cutting and baling hay, mowing roadsides and ditches, and taking care of livestock.

#### LIVESTOCK, PASTURE AND RANGE REPORT

**Pasture condition** is rated 25 percent good to excellent compared with 65 percent last year. Cooler temperatures and lower humidity during the week reduced stress to livestock.

#### **CROP PROGRESS**

Released: August 30, 2010

Vol. 60, WC083010

This Week	Last Week				
Percent					
96	91	77	89		
77	61	21	50		
21	6	0	6		
97	95	86	93		
14	NA	2	6		
87	81	63	78		
	96 77 21 97 14	Week         Week           96         91           77         61           21         6           97         95           14         NA	Week         Week         Year           96         91         77           77         61         21           21         6         0           97         95         86           14         NA         2		

#### **CROP CONDITION**

Crop	Very Poor	Poor	Fair	Good	Excel- lent		
	Percent						
Corn	5	11	27	42	15		
Soybean	6	11	28	41	14		
Pasture	11	25	39	22	3		

#### SOIL MOISTURE & DAYS SUITABLE FOR FIELDWORK

Soil Moisture	This Week	Last Week	Last Year					
	Percent							
Topsoil								
Very Short	28	19	2					
Short	45	41	15					
Adequate	27	38	72					
Surplus	0	2	11					
Subsoil								
Very Short	21	12	2					
Short	43	37	18					
Adequate	36	50	69					
Surplus	0	1	11					
Days Suitable	6.9	6.5	5.3					

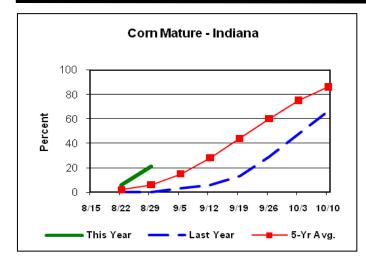
#### **CONTACT INFORMATION**

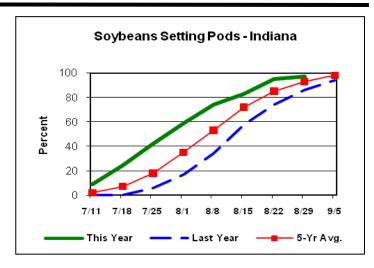
- -- Greg Preston, Director
- --Andy Higgins, Agricultural Statistician

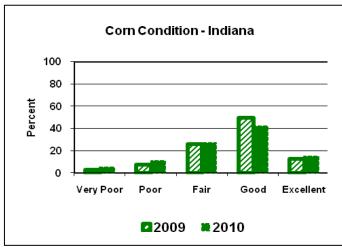
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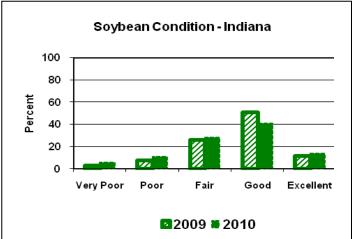
http://www.nass.usda.gov/Statistics\_by\_State/Indiana/

# **Crop Progress**









### **Other Agricultural Comments And News**

## Variable Subsidy for Ethanol Better for Producers and Government

Written by Wally Tyner, Purdue Agricultural Economist. Article appears in AG Answers, August 24, 2010.

A variable subsidy for ethanol producers could cost the government less and provide more security for producers than current fixed rates, according to a Purdue University study.

A variable subsidy rate would insulate producers from risk because as oil and ethanol prices drop, the subsidy for producers would increase, said Wally Tyner, a Purdue agricultural economist and an author of the study. The government would save money because it would not have to pay any subsidy when oil prices are high.

"There will be times when oil prices are high and the subsidy will be low or nothing at all," Tyner said.

The current government subsidy for ethanol producers - a fixed rate of 45 cents per gallon of ethanol - will expire at the end of the year. Congress will have to decide whether to create a new fixed rate, implement a variable rate or go with no subsidy at all.

Tyner said his study, which was published in the October issue of the journal Energy Policy, shows that a variable rate would be the most beneficial. A subsidy that lowers risk for producers could entice new cellulosic ethanol production, he said.

"We could see ethanol plants close if the subsidy isn't renewed in some form," Tyner said.

Tyner said producers would be profitable when ethanol prices and oil prices are high. When they dip, the subsidy would kick in to ensure that those producers continue that profitability. That assurance could attract new cellulosic producers who would see less risk to invest in the capital required to make ethanol.

In the analysis, the government would save money using a variable subsidy compared with the current fixed rate except when oil is at the highest prices. Based on Tyner's calculations, the government would pay \$316 million under the current fixed subsidy over the life of a typical ethanol plant.

(continued on back page)

# **Weather Information Table**

# Week Ending Sunday, August 29, 2010

	Past Week Weather Summary Data					Accumulation						
				- 1				April 1, 2010 through				
		Ai	r				Avg	August 29, 2		9, 2010	)10	
Station	1	empe	eratu	re	Preci	p.	4 in	Pred	cipitat	ion	GDD E	Base 50°E
	i						Soil		1	1		
	Hi	Lo	Avg	DFN	Total		Temp		DFN	Days	Total	DFN
Northwest (1)			_			_	_			_		
Chalmers 5W	86	53	69	-2	0.00	0		28.52	+9.60	61	2752	+235
Francesville	87	50	70	+2	0.00	0		23.14	+4.27	58	2714	+392
Valparaiso AP I	87	50	69	+0	0.00	0		21.79	+2.21	59	2750	+451
Wanatah	87	47	68	-2	0.00	0	78	21.92	+2.85	54	2612	+412
Winamac	87	51	69	+1	0.00	0	761	23.23	+4.36	61	2791	+469
North Central (2	)											
Plymouth	86	49	68	-3	0.00	0		20.91	+1.84	51	2671	+237
South Bend	86	50	69	-1	0.03	1	I	19.40	+1.00	57	2765	+477
Young America	86	49	69	-2	0.00	0		28.51	+10.45	51	2740	+354
Northeast (3)							I					
Fort Wayne	86	49	70	-1	0.00	0		21.83	+4.80	54	3023	+634
Kendallville	86	49	68	-2	0.00	0		20.26	+2.72	74	2659	+413
West Central (4)							I					
Greencastle	87	46	68	-5	0.00	0		24.12	+2.82	60	2743	+57
Perrysville	91	48	70	-1	0.00	0	82	24.45	+4.15	55	3112	+605
Spencer Ag	91	49	70	-2	0.00	0		26.77	+4.93	56	3005	+472
Terre Haute AFB	90	48	71	-1	0.00	0		25.79	+5.61	63	3223	+551
W Lafayette 6NW	89	49	70	+0	0.00	0	80	24.66	+5.78	52	2929	+553
Central (5)							I					
Eagle Creek AP	89	53	73	+2	0.00	0	I	22.73	+3.63	54	3306	+655
Greenfield _	87	50	70	-2	0.00	0	I	28.44	+7.46	62	3034	+493
Indianapolis AP	91	58	75	+4	0.00	0		20.37	+1.27	50	3410	+759
Indianapolis SE	89	49	70	-3	0.00	0		22.27	+2.54	55	2978	+342
Tipton Ag	87	48	68	-2	0.00	0	77	26.76	+7.58	60	2821	+512
East Central (6)							I					
Farmland	87	47	68	-2	0.00	0	78	24.80	+6.21	65	2846	+592
New Castle	87	46	67	-3	0.00	0	I	27.64	+7.40	61	2708	+399
Southwest (7)												
Evansville	95	54	76	+3	0.00	0		13.18	-6.03	48	3734	+657
Freelandville	93	55	73	+2	0.00	0		22.24	+2.19	50	3366	+606
Shoals 8S	93	47	70	-3	0.00	0		24.06	+2.29	42	3124	+453
Stendal	93	54	75	+2	0.00	0		19.77	-1.82	43	3730	+830
Vincennes 5NE	92	54	73	+2	0.00	0	83	26.75	+6.70	54	3429	+669
South Central (8	)											
Leavenworth	93	54	73	+2	0.00	0		21.28	-1.05	72	3390	+732
Oolitic	93	52	72	+1	0.00	0	82	23.79	+2.78	55	3073	+518
Tell_City	95	57	75	+1	0.00	0		19.08	-2.96	41	3606	+659
Southeast (9)							I					
Brookville	91	51	71	+1	0.00	0	I	20.74	+0.34		3086	+661
Greensburg	90	56	73	+3	0.00	0	I	22.12	+1.64		3320	+843
Seymour	89	50	70	-2	0.00	0	l	19.35	-0.79	49	3040	+486

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DFN = Departure From Normal.
GDD = Growing Degree Days.
Precipitation (Rainfall or melted snow/ice) in inches.
Precipitation Days = Days with precip of .01 inch or more.
Air Temperatures in Degrees Fahrenheit.

For more weather information, visit www.awis.com or call 1-888-798-9955.

## Variable Subsidy for Ethanol Better for Producers and Government (continued)

Under a variable rate, there would be no subsidy at \$90 per barrel of oil. The subsidy would kick in at 17.5 cents per gallon when oil is at \$80 and increase 17.5 cents for every \$10 decrease in oil prices.

Using that scenario, the government would pay between \$58 million and \$360 million over the life of the plant, depending on the subsidy rate.

Tyner said the study's findings would be moot if the Environmental Protection Agency does not increase the amount of ethanol that can be blended with gasoline from 10 percent to 15 percent. He said without that increase, the

United States is at the blending wall, the point at which growth in ethanol production has to stop because the maximum amount possible is being purchased and used by consumers. The EPA is expected to make a decision on the blending limit this fall.

Tyner calculated the costs of the fixed and variable subsidies using data from the U.S. Department of Energy and the Dry Milling Model, a Purdue-developed model designed to make projections about ethanol production.

The National Science Foundation funded the research.

The INDIANA CROP & WEATHER REPORT (USPS 675-770), (ISSN43-817X) is issued weekly April through November by the USDA, NASS Indiana Field Office, 1435 Win Hentschel Blvd, Suite 110, West Lafayette, IN 47906-4151. For information on subscribing, send request to above address. POSTMASTER: Send address change to the USDA, NASS, Indiana Field Office, 1435 Win Hentschel Blvd, Suite 110, West Lafayette, IN 47906-4151.

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